

OSTER
Researching Services

12897 Colonial Dr • Mt Airy, Md 21771
301-253-6040

October 4, 1993

Ms. Mildred Lee
Recordations Unit
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Ms. Lee:

Enclosed are the following documents for filing with the Interstate Commerce Commission:

- Security Agreement dated 9/28/93

Secured Party: Caterpillar Financial Services Corporation
3322 West End Avenue
Nashville, TN 37203-0990

Debtor: Peoria & Pekin Union Railway Co.
101 Wesley Road
Creve Coeur, IL 61611

Equipment: 1, PL1500 Locomotive (#2WK00038)

- A Promissory Note dated 9/28/93

Secured Party: Caterpillar Financial Services Corporation
Debtor: Peoria & Pekin Union Railway Co.

- B Subordination Agreement dated 9/28/93

Creditor: First of America Bank - Illinois, N.A.
Secured Party: Caterpillar Financial Services Corporation

The filing fee of \$54 is enclosed. Thank you for your assistance.

Sincerely,

Mary A Oster

Mary Ann Oster
Research Consultant

Enclosures

18425
OCT 4 1993-10 05 AM
INTERSTATE COMMERCE COMMISSION

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INTERSTATE COMMERCE COMMISSION

RECEIVED
OFFICE OF THE
SECRETARY

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RECORDS BRANCH

Interstate Commerce Commission
Washington, D.C. 20423

10/4/93

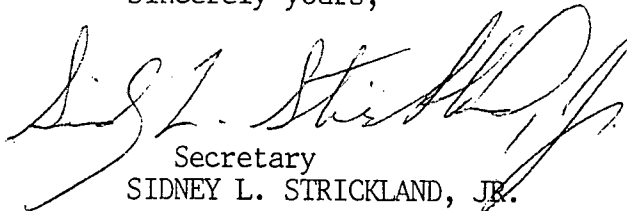
OFFICE OF THE SECRETARY

Mary Ann Oster
Oster Researching Services
12897 Colonial Drive
Mr. Airy MD. 21771

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions
of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303,
on **10/4/93** at **10:05am**, and assigned
recordation number(s). **18425, 18425-A, 18425-B & 18425-C**

Sincerely yours,


Secretary
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

2/1/94

PROMISSORY NOTE

18425
OCT 4 1993 - 10 55 AM
INTERSTATE COMMERCE COMMISSION

Borrower: Peoria and Pekin Union
Railway Company
101 Wesley Road
Creve Coeur, IL 61611

Lender: Caterpillar Financial Services
Corporation
3322 West End Avenue
Nashville, TN 37203-0990

Principal Amount: \$ 250,000.00 Date of Note: SEP 28 1993, 19

Promise to Pay. For Value Received, Borrower promises to pay to the order of Lender, in immediately available funds at the address of Lender set forth above or at such other place as Lender or the holder hereof shall designate in writing, the principal amount of Two hundred fifty thousand ----- Dollars and No/100----- (\$ 250,000.00) with interest thereon from and including the date hereof at the per annum interest rate equal to the interest rate as stated in the Payment Schedule attached hereto.

Payments of principal and interest shall be made in accordance with the Payment Schedule attached hereto. The acceptance of any payment which is less than payment in full of all amounts due and owing at such time shall not constitute waiver of Lender's or the holder's right to receive payment in full of all amounts due and owing at such time or any prior or subsequent time.

Interest. All interest payable hereunder shall be calculated on the basis of the actual number of days elapsed in a year of three hundred sixty (360) days.

Prepayment. Borrower may prepay this Note in full at any time by paying the then unpaid principal balance of this Note and all accrued interest.

Time. Time is of the essence hereof. If any payment of principal or interest or any other sum due hereunder is not paid when due, Borrower shall also pay interest on such amount at eighteen percent (18%) per annum. Notwithstanding the foregoing, if at any time implementation of any provision hereof shall raise the interest rate per annum, as determined in accordance with the provisions hereof, above the lawful maximum interest rate per annum in effect from time to time in the applicable jurisdiction, then such interest rate per annum shall be such lawful maximum interest rate; provided, however, that if the applicable state law is amended or the law of the United States of America pre-empts the applicable state law, so that it becomes lawful for the Lender to receive a greater interest rate per annum than is presently allowed, the Borrower agrees that, on the effective date of such amendment or pre-emption, as the case may be, the lawful maximum hereunder shall be increased to the maximum interest rate per annum allowed by the higher of the amended state law or the law of the United States of America.

Default. The following actions and/or failures to act shall constitute events of default under this Note:

Other Defaults in Favor of Lender. Should Borrower default under any other loan, extension of credit, security agreement, or obligation in favor of Lender.

Default in Favor of Third Parties. Should Borrower default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person, that may materially affect the assets comprising the Borrowing Base.

False Statements. Should any representation or warranty of Borrower made in connection with obtaining the loan evidenced by this Note and the Loan Agreement, or any security agreement directly or indirectly securing repayment of this Note, prove to be incorrect or misleading in any respect.

Default Under This Note. Should Borrower default in the payment of the obligation evidenced by this Note in accordance with the payment schedule herein above described.

Default Under Security Agreement. Should Borrower violate, or fail to fully comply with, any of the terms and conditions of, or default under that certain Security Agreement of even date herewith entered between Borrower and Company (the "Security Agreement").

Insecurity. Should Lender deem itself to be insecure with regard to repayment of this Note.

Insolvency. Upon the suspension, failure or insolvency, however evidenced, of Borrower or any guarantor of this Note.

Readjustment of Indebtedness. Should proceedings for readjustment of indebtedness, reorganization, composition or extension under any insolvency law be brought by or against Borrower or any guarantor.

Assignment for Benefit of Creditors. Should Borrower or any guarantor file proceedings for a respite or make a general assignment for the benefit of creditors.

Receivership. Should a receiver of all or any part of Borrower's property, or the property of any guarantor, be applied for or appointed.

Dissolution Proceedings. Should proceedings for the dissolution or appointment of a liquidator of Borrower or any guarantor be appointed.

Lender's Rights Upon Default. Should any one or more events of default occur or exist under this Note, as provided above, Lender shall have all rights reserved to Lender under the Security Agreement, including, without limitation, the right, at its sole option, to accelerate the maturity and insist upon immediate payment in full of the unpaid principal balance and all accrued interest then outstanding under this Note (including additional interest accrued on past due payments and any prepayment premium, as provided herein and under the Security Agreement), together with Lender's attorney's fees, costs, expenses and other fees and charges, as provided herein. Lender shall have the further right, again at its sole option, to accelerate the maturity and to insist upon immediate payment in full of each and every other loan, extension of credit, debt, liability and/or

obligation of every nature and kind that Borrower may then owe to Lender, whether direct or indirect or by way of assignment, and whether absolute or contingent, liquidated or unliquidated, voluntary or involuntary, determined or undetermined, secured or unsecured, whether Borrower is obligated alone or with others on a joint, several or solidary basis, as a principal obligor or otherwise, all without further notice, demand or putting in default, unless Lender shall otherwise elect.

Attorney's Fees. If Lender refers this Note to an attorney for collection, or files suit against Borrower to collect this Note, or if Borrower files for bankruptcy or other relief from creditors, Borrower agrees to pay Lender's reasonable attorney's fees and all other costs, expenses and fees incurred by Lender in any such action.

Right of Offset. As collateral security for the prompt and punctual payment and satisfaction of this Note, Borrower is granting Lender a continuing security interest in the form of a pledge of any and all funds that Borrower may have at any time on deposit with Lender or any affiliated companies of Lender and hereby consents and agrees, in the event of default hereunder or under the Loan Agreement, to Lender's offsetting against the obligations of Borrower hereunder any sums owing from time to time from Lender or any subsidiary or affiliate of Lender (including Caterpillar Inc.) to Borrower.

Waivers. Borrower and each guarantor, surety, endorser or any other party who may at any time become liable for payment of the indebtedness evidenced by this Note hereby waive presentment for payment, protest, notice of protest, notice of nonpayment, notice of dishonor, and all other notices in connection herewith, filing of suit and diligence in collecting any sums due under this Note, and severally agree that their obligations and liabilities to Lender hereunder shall be on a "joint and several" basis. Borrower and each guarantor and other such obligor further severally agree that discharge or release of any party who is or may be liable to Lender for the indebtedness represented hereby, or the release of any collateral directly or indirectly securing repayment hereof, shall not have the effect of releasing any other party or parties, who shall remain liable to Lender, or of releasing any other collateral that is not expressly released by Lender. Borrower and each guarantor and other such obligor additionally agree that Lender's acceptance of payment other than in accordance with the terms of this Note, or Lender's subsequent agreement to extend or modify such repayment terms, or Lender's failure or delay in exercising any rights or remedies granted to Lender, shall likewise not have the effect of releasing Borrower or any other party or parties from their respective obligations to Lender, or of releasing any collateral that directly or indirectly secures repayment hereof. In addition, any failure or delay on the part of Lender to exercise any of the rights and remedies granted to Lender shall not have the effect of waiving any of Lender's rights and remedies. Any partial exercise of any rights and/or remedies granted to Lender shall furthermore not be construed as a waiver of any other rights and remedies, it being Borrower's intent and agreement that Lender's rights and remedies shall be cumulative in nature. Borrower and each guarantor further agree that, should any event of default occur or exist under this Note, any waiver or forbearance on the part of Lender to pursue the rights and remedies available to Lender, shall be binding upon Lender only to the extent that Lender specifically agrees to any such waiver or forbearance in writing. A waiver or forbearance on the part of Lender as to one event of default shall not be construed as a waiver of forbearance as to any other event of default.

Successors and Assigns Liable. Borrower's obligations and agreements under this Note shall be binding upon Borrower's and each respective successors, heirs, legatees, devisees, administrators, executors and assigns. The rights and remedies granted to Lender under this Note shall inure to the benefit of Lender's successors and assigns, as well as to any subsequent holder or holders of this Note.

Caption Headings. Caption headings of the sections of this Note are for convenience purposes only and are not to be used to interpret or to define their provisions. In this Note, whenever the context so requires, the singular includes the plural and the plural also includes the singular.

Severability. If any provision of this Note is held to be invalid, illegal or unenforceable by any court, that provision shall be deleted from this Note and the balance of this Note shall be interpreted as if the deleted provision never existed.

In all respects not specifically addressed hereinabove, the rights, duties and obligations of Borrower and Lender hereunder shall be governed by the terms, conditions and provisions of the Loan Agreement.

Borrower has read and fully understands all of the provisions of this Note.

SIGNATURE

Peoria and Pekin Union Railway Company

(Borrower)

Signature: Paul D. Feltenstein

Name (PRINT): PAUL D FELTENSTEIN

Title: VICE PRESIDENT

ACKNOWLEDGMENT

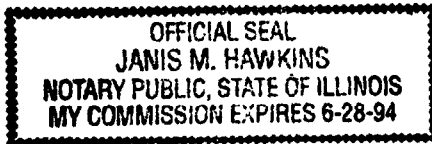
State of ILLINOIS)
County of TAZEWELL)

On this 21ST day of SEPTEMBER, 1993, before me
JANIS M. HAWKINS, a Notary
Public in and for said County of TAZEWELL, residing therein
and duly commissioned and sworn, personally appeared
PAUL D. FELTENSTEIN, known to me to
be the VICE PRESIDENT of
PEORIA & PEKIN UNION RY. CO. of CREVE COEUR,
ILLINOIS, the corporation that executed the within instrument,
and known to me to be the person who executed the within instrument on behalf of said
corporation, and acknowledged to me that such corporation executed same.

In Witness Whereof, I hereunder subscribe my name and affix my official seal in my office
in said County of TAZEWELL on the day and year first above
written.

Janis M. Hawkins
Notary Public

(Seal)



My commission expires: 6-28, 1994.

Peoria and Pekin Union Railway CompanyDated SEP 28 1993, 19 **PAYMENT SCHEDULE**

Payments of principal and interest shall be in twenty (20) installments as follows:

The unpaid principal balance shall bear interest at a rate adjusted quarterly on the first business day of the quarter in question equal to the 3 month Libor Rate plus three hundred twenty-five (325) basis points. The principal and interest shall be payable in twenty (20) principal installments of \$12,500.00 plus interest as provided herein. The first quarterly payment shall be made on January 1, 1994 and payments shall continue on the first day of the following nineteen (19) consecutive quarters.

